

Amend Handbook Section 40-105.4(g)(1) to read:

40-105 APPLICANT AND RECIPIENT RESPONSIBILITY (Continued)

40-105

.4 Immunization Requirements (Continued)

(g) Failure to Cooperate

If an applicant/recipient fails to submit timely verification of immunization of any child(ren) in the AU under the age of six (see Section 40-105.4(d)) and does not qualify for an exemption or have good cause (see Section 40-105.4(i)), the grant shall be reduced by the amount (MAP) allowed for the needs, as specified in Section 44-315.311, of the parent(s)/caretaker relative in the AU.

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(1) Immunization Penalty Computations

Examples:

- (A) An AU composed of a mother and her three children fails to submit verification of immunization and is not found to have good cause. The mother has total earned income of \$525 per month and no disability-based unearned income. The AU is nonexempt and resides in Region 2.

Grant Computation - Single Penalty:

AU size remains four, but due to the penalty, use the MAP for three.

\$ 525	Gross Earned Income
- <u>112</u>	\$112 Income Disregard
\$ 413	Remaining Earned Income
- <u>206</u>	50% Earned Income Disregard*
\$ 206	Net Nonexempt Income*
\$ 608	MAP for three (excluding the parent)
- <u>206</u>	Total Net Nonexempt Income
\$ 402	Aid Payment

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34.

- (B) This same AU also fails to cooperate with the District Attorney's office in establishing paternity for child support.

Grant Computation - Double Penalty

\$ 525	Gross Earned Income
- <u>112</u>	\$112 Income Disregard
\$ 413	Remaining Earned Income
- <u>206</u>	50% Earned Income Disregard*
\$ 206	Net Nonexempt Income
\$ 608	MAP for three (excludes the parent)
- <u>206</u>	Total Net Nonexempt Income
\$ 402	Aid Payment with First Penalty Applied
- <u>100</u>	25% of Aid Payment - Second Penalty for Failure to Cooperate with DA*
\$ 302	Aid Payment with Both Penalties Applied

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: Welfare and Institutions Code Section 11017, MPP Section 44-315.34

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(h) (Continued)

Authority cited: Sections 10553, 10554, 10604, 11209, 11253.5, 11265.2, 11265.3, 11265.8, 11266, 11268, 11450.5, and 11486, Welfare and Institutions Code, ~~SB 72 (Chapter 8, Statutes of 2011), Section 42.~~

Reference: Sections 10553, 10554, 10604, ~~11017~~, 11209, 11253.5, 11265.3, 11265.8, 11266, 11268, 11450, 11451.5, 11453, 11486, 13283, 14005.2, and 18945, Welfare and Institutions Code; Section 48200, Education Code; 45 CFR 205.42(d)(2)(v)(A) and (B), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 205.52(a)(1) and (2); 45 CFR 233.10(a)(1)(iv) and 235.112(b); 45 CFR 400.43; 7 CFR 273.16(b); 8 United States Code (USC) 1182(d)(5)(B); 42 U.S.C. 402(a)(6) and 616(b); and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193); California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996; The Trafficking Victims Protection Act of 2000 (P.L. 106-386), Sections 107(b)(1)(A), (B), and (C); The Trafficking Victims Protection Reauthorization Act of 2003 (Public Law 108-193).

Amend Section 44-111.23 to read:

44-111 PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION 44-111
AS INCOME (Continued)

.2 Exemption of Earned Income (Continued)

.23 \$225/112 and 50% Disregards

.231 A family shall have \$225 of disability-based unearned income and up to \$112 of any earned income and 50% of any remaining earned income disregarded as income. These disregards are applied as follows and subject to the method outlined in Section 44-113.2. If the disability-based unearned income is:

- (a) Greater than \$225, the difference is added to any other nonexempt income.
- (b) Less than \$225, up to \$112 of the remaining disregard is subtracted from any earned income.
- (c) Zero, \$112 is applied against any earned income.

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code, ~~SB 72 (Chapter 8, Statutes of 2011), Section 42.~~

Reference: Sections 10553, 10554, 11008.15, 11265.2, 11280, 11322.6(f)(3), 11157, 11450.5, 11450.12, 11451.5, and 11451.7, Welfare and Institutions Code; 42 USC Section 602(g)(1)(E)(i); Section 8, Public Law 93-134; Section 2, Public Law 98-64; Section 13736, Public Law 103-66; Section 1, Public Law 100-286, Section 202(a), Public Law 100-485 and 20 USC 1087uu; 45 CFR 233.20(a)(3)(iv)(B), (a)(3)(xxi), 45 CFR 233.20(a)(4)(ii); (a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p) and (q); 45 CFR 233.20(a)(11)(v)(C); 45 CFR 255.3(f)(1); 45 CFR 400.66; 45 CFR 401.12; Federal Action Transmittals ACF-AT-94-27 and 94-4 and FSA-IM-89-1; 45 CFR 233.20(a)(1)(ii); 45 CFR 233.20(a)(3)(x); and *Cadaret v. Wagner* (Super. Ct. Sacramento County, 2011, No. 34-2009-80000302, Stipulation for Settlement and Order).

Amend Section 44-113.2 to read:

44-113 NET INCOME (Continued)

44-113

.2 Earnings

.21 Computation of Net Nonexempt Earned Income for CalWORKs (Continued)

215 Section 44-113.215(MR) shall become inoperative and Section 44-113.215(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Apply up to \$112 of the remainder of the \$225 disability-based unearned income disregard to the reasonably anticipated total monthly earned income for the family as determined in Section 44-113.213(QR). (Continued)

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.22 Section 44-113.22(MR) shall become inoperative and Section 44-113.22(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration. (Continued)

(QR) Net Nonexempt Income Computation

Example 1

A nonexempt AU of three (a parent and two children) has gross monthly earned income of \$775 per month, with no other income. The monthly income is reasonably anticipated to continue at the same amount for the QR Payment Quarter. The family lives in Region 1.

\$ 775	Earned Income
- <u>112</u>	\$112 Earned Income Disregard
\$ 663	Subtotal
- <u>331</u>	50% Earned Income Disregard*
\$ 331	Total Net Nonexempt Income*

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP 44315.34.

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Authority cited: Sections 10553 and 10554, Welfare and Institutions Code, ~~SB 72 (Chapter 8, Statutes of 2011), Section 42).~~

Reference: Sections 10063, 10553, 10554, 10790, 10791, 11008, 11008.19, ~~11017~~, 11155.3, 11157, 11265.1, 11265.2, 11265.3, 11450, 11450.5, 11450.12, and 11451.5, 11453, Welfare and Institutions Code; 45 CFR 233.10; 45 CFR 233.20(a)(3)(ii)(C); 45 CFR 233.20(a)(3)(vi)(A); 45 CFR 233.20(a)(6)(v)(B); 45 CFR 255.3; 45 CFR 233.20(a)(3)(iv)(B); 45 CFR 233.20(a)(3)(xxi); 45 CFR 233.20(a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p); Darces v. Woods (1984) 35 Cal. 3d 871; and Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995.

Amend Handbook Section 44-133.54 (QR) to read:

44-133 TREATMENT OF INCOME -- CALWORKS (Continued)

44-133

.5 Income and Needs in Cases in Which a Person is Excluded (Continued)

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- .54 The following examples are provided to illustrate how to determine financial eligibility for the family in accordance with Sections 44-207.1 and .2 and the aid payment computation in accordance with Section 44-315. (Continued)

(QR) Example 2: Family with Ineligible Non-Citizen Members and Stepparent with No Income

Mother of two children has earnings of \$600 per month and the income is reasonably anticipated to continue at this amount for the QR Payment Quarter. One of the children is her citizen child and the other is her ineligible non-citizen child with deprivation. Mother receives direct child support in the amount of \$85 per month for the ineligible non-citizen child. Also in the home is the ineligible non-citizen spouse of the mother. The spouse does not have any income. The family lives in Region 1 and does not have exempt status.

Applicant Eligibility Determination

\$ 600	Actual Earned Income of Mother
- 90	Applicant Earned Income Disregard
\$ 510	Subtotal
+ 85	Unearned Income of Ineligible Non-Citizen Child
\$ 595	Total Net Nonexempt Income

\$ 595 Total NNI is less than the \$1,347 Region 1 Nonexempt Family MBSAC for four, family passes applicant test.

Recipient Financial Eligibility Test

\$ 600	Monthly Earned Income of Mother
- 112	\$112 Earned Income Disregard
\$ 488	Subtotal
- 244	50% Earned Income Disregard
\$ 244	Net Nonexempt Earned Income
+ 85	Unearned Income of Ineligible Non-Citizen Child
\$ 329	Total Net Nonexempt Income (rounded down)

\$ 329 Total NNI is less than \$762 Region 1, Nonexempt Family MAP for four, family passes recipient financial eligibility test.

Grant Computation

\$ 762	Region 1, Nonexempt Family MAP for Four
- <u>329</u>	Total Net Nonexempt Income
\$ 433	Potential Grant
\$ 516	MAP for AU of Two (includes mother and citizen child)
\$ 433	Aid Payment is the Lesser of the Potential Grant or MAP for the AU (Continued)

(QR) Example 3: Family with Ineligible Non-citizen AU Members and Stepparent with Income and Excluded Dependents

Recipient mother receives aid for herself and one child. The mother has earnings of \$600 per month that is reasonably anticipated to continue at the same amount during the QR Payment Quarter. Also living in the home are: 1) the ineligible non-citizen spouse of the aided parent; 2) the aided mother's ineligible non-citizen child in common with no deprivation; 3) the aided mother's citizen child in common who has no deprivation; and 4) a separate ineligible non-citizen child of the spouse. The spouse has \$375 per month earned income that is reasonably anticipated to continue at the same level during the QR Payment Quarter. The family is nonexempt and lives in Region 1.

Eligibility/Grant Computation

Step 1	\$ 975	Family's Monthly Earned Income
	- <u>112</u>	\$112 Income Disregard
	\$ 863	Subtotal
	- <u>431</u>	50% Earned Income Disregard*
	\$ 431	Net Earned Income
	\$ 431	Total Family Net Nonexempt Income*
Step 2	\$ 972	Family MAP for Six (All excluded dependents of the stepparent are included, regardless of deprivation since the stepparent's income is used.)
	- <u>431</u>	Total Family Net Nonexempt Income
	\$ 541	Potential Grant
Step 3	\$ 516	AU MAP for Two
	\$ 541	Potential Grant
	\$ 516	Aid Payment (lesser of AU MAP or potential grant)

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34.

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.55 (Continued)

Authority cited: Sections 10553, 10554, 10604, and 11369, Welfare and Institutions Code, ~~SB 72 (Chapter 8, Statutes of 2011), Section 42.~~

Reference: Sections 10063, 10553, 10554, 10604, 11008.14, 11017, 11254, 11320.15, 11450, 11451.5, 11452, 11453, 11486, 18937, 18940, and 11371, Welfare and Institutions Code; 45 CFR 205.50(a)(1)(i)(A); 45 CFR 233.20(a)(1)(i); 45 CFR 233.20(a)(3)(ii)(C), (a)(3)(vi)(B), (a)(3)(xiv), (a)(3)(xiv)(B), and (xviii); 45 CFR 233.50(A)(c); and 45 CFR 233.90(c)(2)(i); Family Support Administration Action Transmittal 91-15 (FSA-AT-91-15), dated April 23, 1991; and Omnibus Budget Reconciliation Act (OBRA) of 1990; U.S. Department of Health and Human Services Federal Action Transmittal No. FSA-AT-91-4 dated February 25, 1991; *Simpson v. Hegstrom*, 873 F.2d 1294 (1989); *Ortega v. Anderson*, Case No. 746632-0 (Alameda Superior Court) July 11, 1995; and Federal Register, Vol. 58, No. 182, pages 49218 - 20, dated September 22, 1993; 8 U.S.C. 1631; and 42 U.S.C. 602(a)(39).

Amend Handbook Section 44-315.39 (QR) to read:

44-315 AMOUNT OF AID (Continued)

44-315

.3 Amount of Grant (Continued)

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.39 Computation Examples Handbook Section 44-315.39(MR) shall become inoperative and Handbook Section 44-315.39(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(QR) Computation of Monthly Grant Amount for the QR Payment Quarter when the AU's Income Reported for the QR Data Month is Expected to Continue for Each Month of the QR Payment Quarter

Example 1:

A nonexempt family of four (a pregnant mom, stepfather (father of the unborn) and her two separate children) are in a July, August, and September Quarter. The stepfather has gross earned income of \$775 per month, with no other income and no reasonably anticipated changes in income for the QR Payment Quarter. The stepfather chooses to be excluded from the AU until the child in common is born. The family lives in Region 1.

\$ 775	Reasonably Anticipated Monthly Earned Income for the Family
- <u>112</u>	\$112 Income Disregard
\$ 663	Subtotal
- <u>331</u>	50% Earned Income Disregard*
\$ 331	Total Net Nonexempt Income*
\$ 762	"Family" MAP for Four (mother, stepfather and two children) Region 1
+ <u>47</u>	Special Needs for AU (third trimester of pregnancy)
\$ 809	Total (MAP plus special needs)
- <u>331</u>	Net Nonexempt Income
\$ 478	Potential Grant
\$ 638	Nonexempt AU MAP for Three (Region 1)
+ <u>47</u>	Special Needs for AU
\$ 685	Total MAP plus Special Needs
\$ 478	Actual Grant Amount (lesser of potential grant or AU MAP plus special needs)

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34 (Continued)

(QR) Computation of Monthly Grant Amount for the QR Payment Quarter when the AU's Income Reported for the QR Data Month is Expected to Differ for One or More Months of the QR Payment Quarter.

Example 2:

A Region 1 nonexempt AU of four is in the October/November/December quarter. Mother submits the QR 7 for November to the county on December 10. On the QR 7, she reports that she started a part-time job in December that will only last until the end of January, when the holiday shopping season has ended. She reports that she will get paid \$900 in January and \$800 in February. One child is also receiving SSA disability benefits of \$100 per month based on an absent father's disability. SSA disability benefits are considered disability based unearned income (DBI).

Benefits for the January/February/ March quarter are computed based on the income the AU reasonably anticipates it will receive during that quarter as follows:

\$ 100	Monthly DBI
\$ 900	Reasonably Anticipated Earned Income for January
800	Reasonably Anticipated Earned Income for February
<u>+ 0</u>	Reasonably Anticipated Earned Income for March
\$1700	Subtotal Reasonably Anticipated Earned Income for Quarter
\$ 566	Reasonably Anticipated Earned Income Divided by the Number of Months in the QR Payment Quarter $1700/3 =$ (averaged monthly earnings)*
\$ 100	Reasonably Anticipated Monthly DBI Income
- <u>225</u>	Less DBI Disregard
0	Net DBI Income
- <u>\$125</u>	Remainder of \$225 DBI Disregard
\$ 566	Reasonably Anticipated Monthly Earned Income*
- <u>112</u>	Less remainder of \$225/112 Income Disregard
\$ 454	Subtotal*
- <u>227</u>	Less 50% Earned Income Disregard*
\$ 227	NNI*
\$ 762	MAP for AU of Four
- <u>227</u>	Less NNI
\$ 535	New Monthly Grant for the QR Payment Quarter

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34 (Continued)

(QR) Mid-Quarter Changes to Cash Aid

Example 3:

A Region 1 nonexempt AU of three (mother and two children) is in the October, November, and December quarter. On her previous QR 7 received in September, (QR Data Month for the previous quarter was August), mother reported her earned income to be \$600 and that she expected no changes for the next QR Payment Quarter.

\$ 600	Reasonably Anticipated Monthly Income for the Family
- <u>112</u>	\$112 Earned Income Disregard
\$ 488	Subtotal
- <u>244</u>	50% Earned Income Disregard
\$ 244	Total Net Nonexempt Income [Rounded down]
\$ <u>638</u>	Non-exempt MAP for Three, Region 1
- <u>244</u>	Less Net Nonexempt Income
\$ 394	AU Monthly Grant for the QR Payment Quarter

On October 25, the mother voluntarily reports that the father, with no income, moved into the home on October 24. The father is determined eligible and is reasonably anticipated to have monthly income of \$200 for November and \$100 for December.

The Mid-Quarter Grant Calculation for the Remaining Months of the Quarter Would Be:

\$ 200	Father's Reasonably Anticipated Earned Income for November
+ <u>100</u>	Father's Reasonably Anticipated Earned Income for December
\$ 300	Subtotal Reasonably Anticipated Earned Income for the Remainder of the Payment Quarter
\$ 150	Father's Earned Income Divided by the Remaining Months of the QR Payment Quarter $\$300/2 = \150 (reasonably anticipated monthly income)
\$ 600	Existing AU's Previously Determined Reasonably Anticipated Monthly Earned Income (not recalculated)
+ <u>150</u>	Father's Reasonably Anticipated Earned Monthly Income
\$ 750	Total Net Nonexempt Income for the Potential AU
- <u>112</u>	\$112 Earned Income Disregard
\$ 638	Subtotal
- <u>319</u>	50% Earned Income Disregard
\$ 319	Total Net Nonexempt Averaged Income

\$ 762	Non-exempt MAP for Four, Region 1(includes eligible father)
- <u>319</u>	Less Net Nonexempt Income
\$ 443	AU Monthly Grant Payment for the Remaining Months of the QR Payment Quarter

Father is added to the existing AU effective November 1 since his addition to the AU will increase the cash aid. A supplement of \$49 is issued to the AU for November and the grant is increased to \$443 for the month of December.

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.4 Special Needs (Continued)

Authority cited: Sections 10553, 10554, 11209, 11450, 11450(g), 11450.018(a) and (b), 11452.018(a), and 11453, Welfare and Institutions Code, ~~SB 72 (Chapter 8, Statutes of 2011), Section 42.~~

Reference: Sections 10553, 10554, 11004, 11017, 11209, 11253.5(d) and (e), 11254, 11265.2, 11265.3, 11265.8(a), 11323.4, 11450, 11450(g), 11450.01, 11450.015, 11450.018(a) and (b), 11451.018(a), 11450.03, 11450.5, 11451.5, 11452, 11453, and 11453(a), Welfare and Institutions Code.

Amend Handbook Section 89-201.513 to read:

89-201 MINOR PARENT REQUIREMENT (Continued) 89-201

.5 Senior Parent Income (Continued)

.51 Senior Parent/Minor Parent Eligibility and Grant Amount (Continued)

.513 Grant Amount (Continued)

HANDBOOK BEGINS HERE

(a) Handbook Section 89-201.513(a)(MR) shall become inoperative and Handbook Section 89-201.513(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration. (Continued)

(QR) Example:
Eligible Minor Parent in own AU
The persons residing together are the senior parent, her minor daughter (minor parent) and her minor daughter's child. The senior parent is not in the AU. The senior parent earns \$1,025 per month. The minor parent has no income. The family resides in Region 1 and is nonexempt.

The eligibility/grant computation is as follows:

\$1,025	Reasonably Anticipated Family Earned Income
- <u>112</u>	\$112 Earned Income Disregard
\$ 913	
- <u>456</u>	50% Earned Income Disregard*
\$ 456	Average Net Nonexempt Income*
\$ 638	MAP for an AU of Three
- <u>456</u>	Total Averaged Net Nonexempt Income
\$ 182	Potential Grant
\$ 516	MAP for an AU of Two
\$ 182	Actual Grant Amount (lesser of potential grant or AU MAP)

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34

(b) Handbook Section 89-201.513(b)(MR) shall become inoperative and Handbook Section 89-201.513(b)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration. (Continued)

(QR) Example:
Eligible Minor
Parent in AU
of Senior
Parent(s)

Minor parent lives with both her parents. The senior parents are in the AU with the minor parent and the minor's child. One senior parent earns \$900 per month. The other senior parent earns \$400 per month and receives \$125 in State Disability Insurance benefits. The minor parent has no income. The AU is nonexempt and resides in Region 1.

The eligibility/grant computation is as follows:

\$ 125	Reasonably Anticipated Monthly Disability-Based Unearned Income
- <u>225</u>	\$225 Disability-Based Unearned Income (DBI) Disregard
0	Net Disability-Based Unearned Income
\$ 100	Remainder of \$225 DBI Disregard
\$1,300	Reasonably Anticipated Monthly Family Earned Income
- <u>100</u>	Remainder of \$225 DBI Disregard
\$1,200	
- <u>600</u>	50% Earned Income Disregard
\$ 600	Averaged Net Nonexempt Earned Income
+ <u>0</u>	Other Nonexempt Unearned Income
\$ 600	Total Net Nonexempt Income
\$ 762	MAP for an AU of Four
- <u>600</u>	Net Nonexempt Income
\$ 162	Grant Amount

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.6 (Continued)

Authority cited: Sections 10553 and 10554, Welfare and Institutions Code, ~~SB 72 (Chapter 8, Statutes of 2011), Section 42.~~

Reference: Sections 11008.14, 11017, 11254 (Ch. 1022, Stats. 2002), 11450, 11451.5, 11453, and 16506(d), Welfare and Institutions Code; 42 USCA 608(a)(5).